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INTERSTATE COMMERCE COMMISSION
VIA FEDERAL EXPRESS

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December 14, 1990

New No.

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Interstate Commerce Commission
Washington, D.C.

0-348A039

Re: General American Transportation Corporation
GATC Trust No. 90-2

Gentlemen:

Enclosed for under the provisions of 49 USC 11303(a) are the original and three counterparts of an Equipment Lease dated as of December 14, 1990 (the "Lease") and a Security Agreement-Trust Deed dated as of December 14, 1990 (the "Security Agreement"). Said Equipment Lease and Security Agreement-Trust Deed are each primary documents.

A general description of the railroad equipment covered by each of the enclosed documents is set forth in Schedule attached to this letter and made a part hereof.

The names and addresses of the parties are:

Lessee under Lease: General American Transportation Corporation
120 South Riverside Plaza
Chicago, Illinois 60606
Attention: Secretary

Lessor under Lease and Debtor under Security Agreement: Wilmington Trust Company, as
Trustee under GATC Trust No. 90-2
Rodney Square North
Wilmington, Delaware 19890
Attention: Corporate Trust Administration

Secured Party under Security Agreement: Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60603
Attention: Indenture Trust Division

C. T. Chapman
H. E. Cutler

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CHAPMAN AND CUTLER

The undersigned has acted as special counsel in connection with the preparation of the enclosed documents and has knowledge of the matters set forth therein.

Please return the original and two copies of each enclosed document to Larry Elkins, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Also enclosed is a check in the amount of \$20.00 covering the required recording fee.

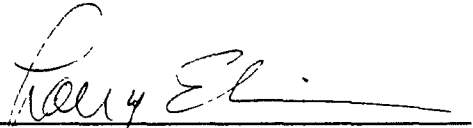
A short summary of each of the enclosed primary documents to appear in the Index follows:

Equipment Lease between Wilmington Trust Company, as Trustee under GATC Trust No. 90-2, as Lessor, Rodney Square North, Wilmington, Delaware 19890, to Harris Trust and Savings Bank, as Security Trustee, 111 W. Monroe Street, Chicago, Illinois 60603, covering 507 covered hopper cars and 794 tank cars.

Very truly yours,

CHAPMAN AND CUTLER

By



Larry Elkins

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RECORDED TO _____ REB MS

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT-TRUST DEED

Dated as of December 14, 1990

From

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely
as Owner Trustee under GATC Trust No. 90-2,

DEBTOR

To

HARRIS TRUST AND SAVINGS BANK

SECURED PARTY

(GATC Trust No. 90-2)

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ATTACHMENTS TO SECURITY AGREEMENT-TRUST DEED:

Schedule 1	- Amortization Schedule - Notes
Schedule 2	- Description of Items of Equipment
Exhibit A	- Form of Secured Note

SECURITY AGREEMENT-TRUST DEED

THIS SECURITY AGREEMENT-TRUST DEED dated as of December 14, 1990 (the "Security Agreement") is from WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity, but solely as Owner Trustee (the "Debtor") under the Trust Agreement dated as of December 14, 1990 (the "Trust Agreement") for the benefit of NYNEX CREDIT COMPANY, a Delaware corporation (the "Owner Participant"), Debtor's post office address being Rodney Square North, Wilmington, Delaware 19890, to HARRIS TRUST AND SAVINGS BANK (the "Secured Party"), whose post office address is 111 West Monroe Street, Chicago, Illinois 60603.

R E C I T A L S:

A. The Debtor and the Secured Party have entered into a Participation Agreement dated as of December 14, 1990 (the "Participation Agreement") with General American Transportation Corporation, a New York corporation (the "Lessee"), the Owner Participant and the institutional investors referred to in Schedule 2 thereto (the "Note Purchasers") providing for the commitment of the Note Purchasers to purchase on the Closing Date (as defined in the Participation Agreement) therein provided not later than December 31, 1990, (i) the 9.93% Secured Notes due June 12, 2005 (the "Series A Notes") in an aggregate principal amount not to exceed \$21,764,031.93 and the 10.24% Secured Notes, due June 12, 2009 (the "Series B Notes") in an aggregate principal amount not to exceed \$29,328,196.90. The Series A Notes and Series B Notes are hereinafter referred to as the "Notes". The Notes are to be dated the date of issue, to bear interest at the rates set forth above prior to maturity, which Notes are payable in accordance with the amortization schedule set forth in Schedule 1 hereto with the first installment of principal and/or interest of each Note to be paid on June 12, 1991 and the balance of such installments to be paid at six month intervals thereafter to and including maturity and to be otherwise substantially in the form attached hereto as Exhibit A.

B. The Notes and all principal thereof and interest (and premium, if any) thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Notes, this Security Agreement or the Participation Agreement are hereinafter sometimes referred to as "indebtedness hereby Secured".

C. All of the requirements of law relating to the transactions contemplated hereby have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument for the security of the Notes have been done and performed.

SECTION 1. GRANT OF SECURITY.

The Debtor in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the equal and pro rata payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness hereby Secured and the performance and observance of all of the Debtor's covenants and conditions in the Notes and in this Security Agreement and in the Participation Agreement contained for the benefit of the Secured Party and/or the holders of the Notes, does hereby convey, warrant, mortgage, assign, pledge and grant to the Secured Party, its successors in trust and assigns, a security interest in, all and singular of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1 and 1.2 hereof, subject always to those limitations set forth in Section 1.3 hereof; excluding, however, Excepted Rights in Collateral (as defined in Section 1.5 hereof) (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

1.1. Equipment Collateral. The railroad equipment described in Schedule 2 attached hereto and made a part hereof (collectively the "Equipment" or "Items of Equipment" and individually an "Item" or "Item of Equipment") constituting the Equipment leased and delivered under that certain Equipment Lease dated as of December 14, 1990 (the "Lease") between the Debtor, as lessor, and the Lessee, as lessee; together with, in each case, all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, which become the property of the Debtor by the terms of the Bill of Sale (as defined in the Participation Agreement), and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, which become the property of the Debtor by the terms of the Lease, together with all the rents, issues, income, profits and avails therefrom.

1.2. Rental Collateral. Collateral also includes all right, title, interest, claims and demands of the Debtor as lessor in, to and under the Lease, including all extensions of the term of the Lease, together with all rights, powers, privileges, options and other benefits of the Debtor as lessor under the Lease, including, without limitation, the immediate and continuing right to receive and collect all Fixed Rental, Supplemental Rent, Casualty Value payments and Early Termination Value payments (as each such term is defined in the Lease), insurance proceeds, condemnation awards and other payments, tenders and

security now or hereafter payable to or receivable by the Lessor under the Lease pursuant thereto (except those sums reserved as Excepted Rights in Collateral under Section 1.5 hereof); it being the intent and purpose hereof that, subject always to Excepted Rights in Collateral (as defined in Section 1.5 hereof), the assignment and transfer to the Secured Party of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Secured Party shall have the right to collect and receive all rental, casualty value payments and termination value payments, if any, and other sums for application in accordance with the provisions of Section 4 hereof at all times during the period from and after the date of this Security Agreement until the indebtedness hereby Secured has been fully paid and discharged.

1.3. Limitations to Security Interest; Non-Recourse Obligations. The security interest granted by this Section 1 is subject to (a) the right, title and interest of the Lessee in and to the Equipment under the Lease so long as no Event of Default thereunder has occurred and is continuing, (b) the lien of current taxes and assessments not in default (but only if such taxes are entitled to priority as a matter of law), or, if delinquent, the validity of which is being contested in good faith, and (c) liens and charges permitted by Section 9 of the Lease (collectively "Permitted Encumbrances").

It is expressly understood and agreed by and between the Debtor, the Owner Participant and the holders of the Notes and their respective successors and assigns that this Security Agreement is executed by Wilmington Trust Company, not in its individual capacity or personally but solely as Owner Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee, that each and all of the representations, under-takings and agreements herein made on the part of the Debtor are each and every one of them made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company or the Owner Participant, or for the purpose or with the intention of binding Wilmington Trust Company in its individual capacity or the Owner Participant, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement, that this Note is executed and delivered by Wilmington Trust Company solely in the exercise of the powers expressly conferred upon Wilmington Trust Company as Owner Trustee under the Trust Agreement, that nothing herein contained shall be construed as creating any liability on Wilmington Trust Company in its individual capacity or the Owner Participant, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, Wilmington Trust Company or the Owner Participant, to perform any covenant either express or implied contained herein, all such liability, if any, being

expressly waived by the holder of any Note and by each and every person now or hereafter claiming by, through or under the holder of any Note, and that so far as Wilmington Trust Company, in its individual capacity or the Owner Participant are concerned, the holder of any Note and any person claiming by, through or under the holder of any Note shall look solely to the Collateral for the performance of any obligation under any Note, provided, however, that except as herein provided, nothing in this paragraph shall be construed to limit or otherwise modify the rights and remedies of the holder of any Note contained in Section 5 hereof, and, provided, further, that nothing contained in this paragraph shall be construed to limit the liability of Wilmington Trust Company for any breach of any representations or warranties of the Debtor in its individual capacity set forth herein or in the Participation Agreement or to limit the liability of the Debtor for gross negligence or willful misconduct. Any obligation of the Debtor hereunder may be performed by the Owner Participant, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Note shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Debtor as Owner Trustee thereunder.

1.4. Duration of Security Interest. The Secured Party, its successors in trust and assigns shall have and hold the Collateral forever; provided, always, however, that such security interest is granted upon the express condition that if the Debtor shall pay all the indebtedness hereby Secured and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Participation Agreement and the Notes contained, then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void; otherwise to remain in full force and effect.

1.5. Excepted Rights in Collateral. There are expressly excepted and reserved from the security interest and operation of this Security Agreement the following described properties, rights, interests and privileges (hereinafter sometimes referred to as the "Excepted Rights in Collateral") and nothing herein or in any other agreement contained shall constitute an assignment of said Excepted Rights in Collateral to the Secured Party:

(a) all payments of any indemnity under Sections 6 and 10.2 of the Lease or repayments or interest thereon under Section 21.2 of the Lease which by the terms of any of such sections of the Lease are payable to the Debtor in its individual capacity or the Owner Participant for its own account or payments of Supplemental Rent to the extent it represents such payments;

(b) all rights of the Debtor and the Owner Participant, respectively, under the Lease to demand, collect, sue for or otherwise obtain all amounts from the Lessee due the Debtor or the Owner Participant on account of any such indemnities or payments, referred to in paragraph (a) above and to such legal or equitable remedies to require the Lessee to maintain the insurance coverage referred to in paragraph (c) below, provided that the rights excepted and reserved by this paragraph (b) shall not be deemed to include the exercise of any remedies provided for in Section 14 of the Lease except those contained in Section 14.2(a) thereof;

(c) all rights, privileges and immunities of the Debtor and the Owner Participant, respectively, in respect of any self insurance or insurance policies maintained by the Lessee pursuant to Section 11.1 of the Lease, together with any insurance proceeds payable under general public liability policies so maintained which by the terms of such policies or the terms of the Lease are payable for the benefit of the Debtor in its individual capacity or the Owner Participant or directly to the Debtor in its individual capacity or the Owner Participant for its own account; and

(d) any insurance proceeds payable under insurance policies maintained by the Lessor or the Owner Participant as permitted by Section 21.7 of the Lease;

(e) any payment of Supplemental Rent which represents fees and out-of-pocket expenses of the Debtor payable by the Lessee under the Lease;

(f) all amounts payable and all rights under the Tax Indemnity Agreement including without limitation, any amount payable thereunder through an adjustment to Fixed Rental and any amount of Casualty Value or Early Termination Value attributable to such adjustment; and

(g) all amounts of interest or late charges attributable to amounts referred to in any of clauses (a) through (f) above.

It is understood and agreed by the parties hereto and each and every from time to time holder of the Notes that any and all amounts payable under the Tax Indemnity Agreement or Sections 6 or 10.2 of the Lease in no respect constitute a part or portion of the Collateral.

SECTION 2. COVENANTS AND WARRANTIES OF THE DEBTOR.

The Debtor covenants, warrants and agrees as follows:

2.1. Debtor's Duties. The Debtor covenants and agrees well and truly to perform, abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements of the Debtor set forth in the Participation Agreement, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Participation Agreement were fully set out in an amendment or supplement to this Security Agreement. The Debtor undertakes to perform only such duties as are expressly and specifically set forth herein and in the other Operative Agreements (as defined in the Participation Agreement) and no implied obligations or covenants shall be read into this Security Agreement or any other Operative Agreements against the Debtor.

2.2. Warranty of Title. The Debtor has the right, power and authority to grant a security interest in the Collateral to the Secured Party for the uses and purposes herein set forth; and the Debtor will warrant and defend the title to the Collateral against all claims and demands of persons claiming by, through or under the Debtor not related to the ownership of the Equipment, the administration of the Trust Estate (as defined in the Participation Agreement) or any other transactions contemplated by the Operative Agreements. The Debtor also agrees that it will, at its own cost and expense, without regard to the provisions of Section 7 hereof, pay or satisfy and discharge any such liens and encumbrances on the Collateral resulting from claims against the Debtor not related to the ownership of the Equipment, the administration of the Trust Estate or any other transactions contemplated by the Operative Agreements, but the Debtor shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not materially endanger the title and interest of the Debtor or the security interest hereunder in and to the Equipment. Without limiting the foregoing, there is no financing statement or other filed or recorded instrument in which the Debtor is named and which the Debtor has signed, as debtor or mortgagor, now on file in any public office covering any of the Collateral excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein.

2.3. Further Assurances. Upon request of the Secured Party, the Debtor will, at no expense to the Secured Party, do, execute, acknowledge and deliver all and every further acts,

deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired. Without limiting the foregoing but in furtherance of the security interest herein granted in the rents and other sums due and to become due under the Lease, the Debtor covenants and agrees that it will, pursuant to Section 16 of the Lease, notify the Lessee of the assignment hereunder and direct the Lessee to make all payments of such rents and other sums due and to become due under the Lease other than Excepted Rights in Collateral directly to the Secured Party or as the Secured Party may direct in writing.

2.4. After-Acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired shall ipso facto, and without any further conveyance, assignment or act on the part of the Debtor or the Secured Party, become and be subject to the security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 2.4 contained shall be deemed to modify or change the obligation of the Debtor under Section 2.3 hereof.

2.5. Recordation and Filing. The Debtor will fully cooperate with the Lessee, at Lessee's sole cost and expense, in connection with Lessee's obligation pursuant to Section 10.1 of the Lease to cause this Security Agreement and all supplements hereto, the Lease and all supplements thereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Secured Party in such manner and in such place as may be required by law in order to fully preserve and protect the rights of the Secured Party hereunder.

2.6. Modifications of the Lease. The Debtor will not:

(a) declare a default or exercise the remedies of the Lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification or surrender of, the Lease (except as to Excepted Rights in Collateral and as otherwise expressly provided herein) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof;

(b) receive or collect any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate or grant a security interest in (other than to the Secured Party hereunder) any rent payment then due or to accrue in the future under the Lease in respect of the Equipment, except in all cases as to any payment constituting Excepted Rights in Collateral; or

(c) without limiting the provisions of Section 3.5(d) of the Participation Agreement or Section 8.01 of the Trust Agreement, sell, mortgage, transfer, assign or hypothecate or grant a security interest in (other than to the Secured Party hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

2.7. Power of Attorney in Respect of the Lease. Except with respect to Excepted Rights in Collateral and subject to the provisions of Section 5.3 hereof, the Debtor does hereby irrevocably constitute and appoint the Secured Party so long as the Security Agreement is not discharged its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for, any and all rents, income and other sums which are assigned under Sections 1.1 and 1.2 hereof (other than Excepted Rights in Collateral), with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby.

2.8. Notice of Default. Each party hereto covenants and agrees that it will give the other party hereto, the Owner Participant and each holder of the Notes prompt written notice of any event or condition constituting an Event of Default under the Lease if, in the case of the Debtor, an officer in the Corporate Trust Administration of the Debtor has Actual Knowledge (as defined in Section 1.01 of the Trust Agreement) of such event or condition, and in the case of the Secured Party, it has knowledge of an Event of Default under the provisions of Section 5.1 hereof.

SECTION 3. POSSESSION, USE AND RELEASE OF PROPERTY.

3.1. Possession of Collateral. While no Event of Default has occurred and is continuing hereunder, the Debtor shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto, provided, always, that the possession, enjoyment, control and use of the Equipment by the Debtor shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of the Equipment or any Item thereof by the

Lessee under and subject to the Lease or by any sublessee under a Permitted Sublease (as defined in Section 17.2 of the Lease) shall not constitute a violation of this Section 3.1.

3.2. Release of Property. So long as no default referred to in Section 14 of the Lease has occurred and is continuing to the knowledge of the Secured Party, the Secured Party shall execute a release in respect of any Item of Equipment designated by the Lessee for settlement pursuant to Section 11 or 19 of the Lease upon receipt from the Lessee of written notice designating the Item of Equipment in respect of which the Lease will terminate and the receipt from the Lessee of all sums payable for such Item of Equipment in compliance with Section 11 or 19, as the case may be, of the Lease.

3.3. Protection of Purchaser. No purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Secured Party to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser, in good faith, of any item or unit of the collateral be under obligation to ascertain or inquire into the conditions upon which any such sale is hereby authorized.

SECTION 4. APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURED PARTY.

4.1. Application of Rents and Other Payments. As more fully set forth in Section 1.2 hereof the Debtor has hereby granted to the Secured Party a security interest in rents, issues, profits, income and other sums due and to become due under the Lease in respect of the Equipment as security for the Notes. So long as no Event of Default as defined in Section 5 hereof has occurred and is continuing:

(a) The amounts from time to time received by the Secured Party which constitute payment by the Lessee under the Lease of the installments of Fixed Rental under the Lease or of Supplemental Rent (other than Supplemental Rent constituting Excepted Rights in Collateral) under Section 2.1(b)(v) of the Lease shall be applied first, to the payment of the installments of principal and interest (and in each case first to interest and then to principal) on the Notes which have matured or will mature on or before the due date of the installments of rental which are received by the Secured Party, and then the balance, if any, of such amounts shall be paid to or upon the order of the Debtor as promptly as practicable, but not later than the first business day following the receipt thereof;

(b) The amounts from time to time received by the Secured Party which constitute settlement by the Lessee of the "Casualty Value" for any Item of Equipment pursuant to Section 11.3 of the Lease shall be applied by the Secured Party as follows:

(i) First, to the payment of an amount equal to the accrued and unpaid interest on that portion of the Notes to be prepaid pursuant to the following subparagraph (ii);

(ii) Second, an amount equal to the Loan Value of such Item of Equipment for which settlement is then being made shall be applied to the prepayment of the Notes so that each of the remaining installments of each such Note shall be reduced in the proportion that the principal amount of the prepayment bears to the unpaid principal amount of such Notes immediately prior to the prepayment; and

(iii) Third, the balance, if any, of such amounts held by the Secured Party after making the applications provided for by the preceding subparagraphs (i) and (ii) shall be released to or upon the order of the Debtor on the date of payment of the amounts provided in the preceding clauses (i) and (ii).

For purposes of this Section 4.1(b) and Section 4.1(c) below, the "Loan Value" in respect of any Item of Equipment shall be an amount equal to the product of (A) a fraction, the numerator of which is an amount equal to the Purchase Price (as defined in the Participation Agreement) of such Item of Equipment for which settlement is then being made and the denominator of which is the aggregate Purchase Price of all Items of Equipment then subject to the Lease (including the Purchase Price of such Item of Equipment for which settlement is then being made), times (B) the unpaid principal amount of the Notes immediately prior to the prepayment provided for in this Section 4.1(b) or Section 4.1(c), as the case may be (after giving effect to all payments of installments of principal made or to be made on the date of prepayment provided for in this Section 4.1(b) or Section 4.1(c), as the case may be);

(c) The amounts received by the Secured Party which constitute settlement by the Lessee of the "Early Termination Value" for the Items of Equipment in a Basic Group pursuant to Section 19.1 of the Lease or the proceeds of any sale of such Items of Equipment pursuant

to said Section 19.1 shall be applied by the Secured Party as follows:

(i) First, to the payment of an amount equal to the accrued and unpaid interest on that portion of the Notes to be prepaid pursuant to the following subparagraph (ii);

(ii) Second, an amount equal to the Loan Value of such Items of Equipment for which settlement is then being made shall be applied to the (A) prepayment of the Notes so that each of the remaining installments of each such Note shall be reduced in the proportion that such principal amount of the prepayment bears to the unpaid principal amount of such Notes immediately prior to the prepayment and (B) to the Redemption Premium on such portion of the Notes then being prepaid as set forth in Section 8.14 hereof (with application to be made first, to such Redemption Premium, and second, to principal); and

(iii) Third, the balance, if any, of such amounts held by the Secured Party after making the applications provided for by the preceding subparagraphs (i) and (ii) shall be released to or upon the order of the Debtor on the date of payment of the amounts provided in the preceding clauses (i) and (ii).

(d) The amounts received by the Secured Party from time to time which constitute proceeds of casualty insurance maintained by the Lessee in respect of any Item of Equipment, shall be held by the Secured Party as a part of the Collateral and shall be applied by the Secured Party from time to time to any one or more of the following purposes:

(i) So long as no Event of Default has occurred and is continuing to the knowledge of the Secured Party, the proceeds of such insurance shall, (1) if the Item of Equipment is to be repaired or replaced, be released to the Debtor to reimburse the Lessee for expenditures made for such repair or replacement upon receipt by the Secured Party of a certificate of an authorized officer of the Lessee to the effect that any damage to such Item in respect of which such proceeds were paid has been fully repaired, and (2) if the Lessee has exercised its Right of Substitution under Section 11.4 of the Lease, be

released to the Debtor for payment to the Lessee upon evidence reasonably satisfactory to the Secured Party that such Item has been replaced in compliance with Section 11.4 of the Lease; and

(ii) If the insurance proceeds shall not have been released to the Debtor pursuant to the preceding paragraph (i) within 270 days from the receipt thereof by the Secured Party, or if within such period the Lessee shall have notified the Secured Party in writing that the Lease is to be terminated in respect of such Item in accordance with the provisions of Section 11.2 of the Lease, then so long as no Event of Default hereunder has occurred and is continuing to the knowledge of the Secured Party, the insurance proceeds shall be applied by the Secured Party as follows:

(A) First, to the prepayment of the Notes in the manner and to the extent provided for by clauses First and Second of Section 4.1(b) hereof; and

(B) Second, the balance, if any, of such insurance proceeds held by the Secured Party after making the applications provided for by the preceding subparagraph (A) shall be released to or upon the order of the Debtor on the date of such prepayment of the Notes.

(e) Any amounts received by the Secured Party pursuant to such grant and assignment and not otherwise to be applied in accordance with the provisions of this Section 4.1 shall be released to or upon the order of the Debtor to be held or distributed by the Debtor in accordance with the other Operative Agreements.

4.2. Multiple Notes. If more than one Note is outstanding at the time any such application is made, such application shall be made on all outstanding Notes, without distinction as to Series, ratably in accordance with the aggregate principal amount remaining unpaid thereon.

4.3. Default. If an Event of Default referred to in Section 5 hereof has occurred and is continuing, all amounts received by the Secured Party pursuant to Section 1.2 hereof (other than amounts constituting Excepted Rights in Collateral)

shall be applied in the manner provided for in Section 5 in respect of proceeds and avails of the Collateral.

4.4. Funds Held by Secured Party. In the event any balance of amounts otherwise payable to or upon the order of the Debtor pursuant to Section 4.1 hereof shall be held by the Secured Party due to the occurrence and continuance of an event which could become an Event of Default hereunder or an Event of Default as to which no acceleration has occurred, then such balances (including any investment income thereon) shall be held by the Secured Party as part of the Collateral and invested as hereinafter in this Section 4.4 provided until the earliest to occur of (i) as to any such sum so withheld, the 180th day following the commencement of such withholding, or (ii) the date on which such event or Event of Default shall have been cured or waived, or (iii) such acceleration occurs. Upon the occurrence of an event referred to in clause (i) or (ii) above, such sum so withheld plus earnings thereon shall be distributed to or upon the order of the Debtor. In the event such acceleration occurs, such sum so withheld (including any investment income thereon) shall be applied in the manner provided in Section 5 in respect of the proceeds and avails of the Collateral. Funds held by the Secured Party pursuant to this Section 4.4 plus earnings thereon shall be invested by the Secured Party as directed from time to time in writing by the Debtor and at the expense and risk of the Debtor, but only in any of the following securities maturing within a one year period:

(a) direct obligations of the United States of America, or

(b) obligations fully guaranteed by the United States of America, or

(c) certificates of deposit issued by, or bankers' acceptances of, or time deposits or a deposit account with, any bank, trust company or national banking association incorporated and doing business under the laws of the United States of America or one of the States thereof, having a combined capital and surplus of at least \$300,000,000 and having a rating of "B" or better from the Keefe Bank Watch Service, or

(d) commercial paper of the 10 largest finance companies incorporated in the United States, as determined by reference to the then most recently published Moody's Commercial Paper Record, which directly issue their own commercial paper and which are doing business under the laws of the United States of America or one of the States thereof and in each case having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investors Service, Inc.

(or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization.

4.5. Payments With Respect to Excepted Rights in Collateral. Upon receipt of any moneys constituting Excepted Rights in Collateral, the Secured Party shall pay such amounts to the Person then entitled thereto.

4.6. Payments to Debtor. Subject to Sections 4.3 and 4.4, all amounts payable to the Debtor hereunder shall be paid to it, when received, by wire transfer of funds of the type received by the Secured Party to the account of the Owner Participant specified in Schedule 1 to the Participation Agreement or to such other account or accounts as shall be designated by notice from the Debtor or the Owner Participant to the Secured Party from time to time.

SECTION 5. DEFAULTS AND OTHER PROVISIONS.

5.1. Events of Default. The term "Security Agreement Event of Default" for all purposes of this Security Agreement shall mean one or more of the following:

(a) Default in payment of an installment of the principal of, or premium, if any, or interest on, any Note when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment or by acceleration or otherwise, and any such default shall continue unremedied for five Business Days;

(b) An Event of Default (as defined in the Lease) (other than an Event of Default solely relating to Excepted Rights in Collateral) shall have occurred and be continuing under the Lease;

(c) Default on the part of the Debtor or the Owner Participant in the due observance or performance of any material covenant or agreement to be observed or performed by the Debtor or the Owner Participant for the benefit of the Secured Party or the holders of the Notes under this Security Agreement or the Participation Agreement, and such default shall continue unremedied for 30 days after written notice from the Secured Party to the Debtor and the Owner Participant specifying the default and demanding the same to be remedied; provided, however, that if such default is nonmonetary and is not susceptible of cure within such 30 day period, Debtor or Owner Participant shall have such additional time to

effect a cure as may be reasonably required, so long as Debtor or Owner Participant promptly commences and thereafter diligently proceeds, to remedy such default until cured; provided that the same shall in any event be cured with 180 days following such 30 day period;

(d) Any representation or warranty on the part of the Debtor or the Owner Participant made herein or in the Participation Agreement or in any report, certificate, financial or other statement furnished to the Secured Party or any holder of the Notes in connection with this Security Agreement, the Lease or the Participation Agreement, or the transactions contemplated therein, shall prove to be untrue in any material respect as of the date of the issuance or making thereof, shall remain untrue and material on the date of discovery and, if capable of being cured, remains uncured for a period of 30 days after written notice thereof from the Secured Party to the Debtor or the Owner Participant; provided, however, that if such default is nonmonetary and is not susceptible of cure within such 30 day period, Debtor or Owner Participant shall have such additional time to effect a cure as may be reasonably required, so long as Debtor or Owner Participant promptly commences and thereafter diligently proceeds, to remedy such default until cured; provided that the same shall in any event be cured with 180 days following such 30 day period;

(e) The Debtor or the Trust Estate becomes insolvent or fails generally to pay its debts as such debts become due, or causes or suffers an order for relief to be entered against it under any applicable federal or state bankruptcy law, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a custodian, trustee or receiver for the Debtor or the Owner Participant or for the major part of its property;

(f) A trustee or receiver is appointed for the Debtor or the Trust Estate or for the major part of its property and is not discharged within 60 days after such appointment; or

(g) Bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the Debtor or the Trust Estate and, if instituted against the Debtor or the Trust Estate, are consented to or are not dismissed within 60 days after such institution.

5.2. Secured Party's Rights. The Debtor agrees that when any Event of Default as defined in Section 5.1 has occurred and is continuing, but subject always to Sections 5.3 and 7 hereof, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the Uniform Commercial Code of New York (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing, the Secured Party may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

(a) The Secured Party may, and upon the written request of the holders of at least 25% in principal amount of the Notes then outstanding (excluding any Notes directly or indirectly held by or for the benefit of the Owner Participant) shall, by notice in writing to the Debtor declare the entire unpaid balance of the Notes to be immediately due and payable provided, however, that the holders of 66-2/3% of the aggregate principal amount of the Notes then outstanding (excluding any Notes directly or indirectly held by or for the benefit of the Owner Participant unless the Owner Participant shall have exercised its option to purchase the Notes pursuant to Section 5.3(b) hereof) may rescind such declaration by notice to the Secured Party and the Debtor; and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable;

(b) Subject always to the rights of the Lessee under the Lease, provided no Event of Default has occurred and is continuing thereunder, the Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and to exclude the Debtor wholly therefrom and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold and shall otherwise exercise any and all rights and powers of the Debtor with respect thereto;

(c) Subject always to the rights of the Lessee under the Lease, provided no Event of Default has occurred and is continuing thereunder, the Secured Party may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor, the Lessee and the Owner Participant once at least 20 days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of the Collateral, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to; provided, however, that any such sale shall be held in a commercially reasonable manner. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice, and the Secured Party or the holder or holders of the Notes, or of any interest therein, or the Debtor may bid and become the purchaser at any such sale;

(d) Subject always to the rights of the Lessee under the Lease, provided no Event of Default shall have occurred and be continuing thereunder, the Secured Party may proceed to protect and enforce this Security Agreement and the Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the collateral or any part thereof, or subject to the provisions of Section 7 hereof, for the recovery of judgment for the indebtedness hereby Secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law; and

(e) Subject always to the rights of the Lessee under the Lease, provided no Event of Default shall have occurred and be continuing thereunder, the Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Lease, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

5.3. Certain Rights of the Debtor and the Owner Participant. Anything to the contrary contained in this Security Agreement notwithstanding, including, without limitation, Section 5.2 hereof:

(a) Right to Cure. The Secured Party shall give the holders of the Notes, the Debtor, the Owner Participant and the Lessee written notice of any Event of Default of which the Secured Party has knowledge and if such Event of Default arises out of the nonpayment of Fixed Rent under the Lease or out of such other Event of Default under the Lease which can be cured by the payment of money, the Secured Party shall give the Debtor and the Owner Participant not less than fifteen (15) days prior written notice of the date (the "Enforcement Date") on or after which the Secured Party will exercise any remedy or remedies pursuant to Section 5.2 hereof, or the remedy of terminating the Lease pursuant to the provisions of Section 14.2 thereof. The Secured Party may not exercise any such remedy or remedies prior to the Enforcement Date. If such an Event of Default shall have occurred and be continuing, the Debtor and Owner Participant shall have the following rights hereunder:

(i) Fixed Rent. In the event of the occurrence of an Event of Default resulting from the failure of the Lessee to pay Fixed Rent, on or prior to the Enforcement Date the Debtor or the Owner Participant may, but shall not be obligated to, pay to the Secured Party an amount equal to any principal and interest (including interest, if any, on overdue payments of principal and interest) then due and payable on the Notes (not taking into account any acceleration of the Notes), and unless the Debtor and/or the Owner Participant has cured Events of Default in respect of the three (3) immediately preceding payments of Fixed Rent or any six (6) Events of Default in respect of the payment of Fixed Rent, such payment by the Debtor or the Owner Participant under this Section 5.3(a), solely for the purpose of determining whether an Event of Default is continuing hereunder, shall cure any Event of Default hereunder which would otherwise have arisen on account of such non-payment by the Lessee of such installment of Fixed Rent under the Lease, including any Event of Default pursuant to Section 5.1(b) hereof.

(ii) Other Defaults. In the event that an Event of Default (other than a default in the

payment of Fixed Rent) has occurred under the Lease which can be cured by the payment of money, including the purchase of such goods and/or services from such Persons as shall be necessary to fulfill the required observance or performance, on or prior to the Enforcement Date, the Debtor or the Owner Participant may, but shall not be obligated to, solely for the purpose of determining whether an Event of Default is continuing hereunder, cure such Event of Default under the Lease by making such payment to such Person as is necessary to accomplish the observance or performance of the defaulted covenant, condition or agreement.

(iii) Subrogation. The Debtor and the Owner Participant shall not, by exercising the right to cure any such Event of Default, obtain any lien, charge or encumbrance of any kind on any of the Collateral for or on account of costs or expenses incurred in connection with the exercise of such right nor shall any claims of the Debtor or the Owner Participant against the Lessee or any other party for the repayment of such costs or expenses impair the prior right and security interest of the Secured Party in and to the Collateral. Upon such payment by the Debtor or the Owner Participant of the amount of principal and interest then due and payable on the Notes, the Debtor shall be subrogated to the rights of the Secured Party in respect of any Fixed Rent which was overdue at the time of such payment and interest payable by the Lessee on account of its being overdue, and therefore, if no other Event of Default shall have occurred and be continuing and if all principal and interest payments due on the Notes have been paid at the time of receipt by the Secured Party of such Fixed Rent and such interest, the Debtor shall be entitled to receive such Fixed Rent and interest upon receipt thereof by the Secured Party; provided that (i) in the event the principal and interest on the Notes shall have become due and payable pursuant to Section 5.2(a) hereof, such subrogation shall, until principal of and interest on all Notes shall have been paid in full, be subordinate to the rights of the Secured Party in respect of such payment of Fixed Rent and such interest prior to receipt by the Debtor of any amount pursuant to such subrogation, and (ii) the Debtor shall not be entitled to seek to recover

any such payment (or any payment in lieu thereof) except pursuant to the foregoing right of subrogation.

(b) Option to Purchase Notes. At any time (i) after the Notes have been declared due and payable pursuant to Section 5.2(a), or have otherwise pursuant to Section 5.4 become due and payable, or (ii) after an Event of Default under the Lease shall have occurred and been continuing (or would have occurred and be continuing but for the failure of the Secured Party as assignee and Debtor to give a notice in connection therewith) for nine months from the date such Event of Default occurred or would have occurred as aforesaid under the Lease and the Secured Party shall not have exercised any remedy in good faith pursuant to Section 14 of the Lease and is not stayed or otherwise prevented from doing so by operation of law, or (iii) after the giving of any notice of termination of the Lease pursuant to the first sentence of Section 5.3 (a), so long as any such notice shall not have been withdrawn by written notice to the Debtor and the Owner Participant, or (iv) for a period of 30 days following the delivery of a proposed Adverse Lease Amendment to the Debtor and the Owner Participant pursuant to Section 5.3(f), each holder of a Note agrees that it will, upon receipt from the Debtor or its nominee on the date specified in such request which shall not be less than five days from the date of such request (the "Payment Date") of an amount equal to the aggregate unpaid principal amount of all Notes then held by such holder, together with accrued interest thereon to the date of payment, plus all other sums then due and payable to such holder hereunder or under the Participation Agreement, the Lease or such Notes (but without any premium or penalty, including any Redemption Premium), forthwith sell, assign, transfer and convey to the Debtor or its nominee on or before the Payment Date (without recourse or warranty of any kind except as to title and as against liens on such Notes arising by, through or under such holder), all of the right, title and interest of such holder in and to the Notes held by such holder, and the Debtor or its nominee shall assume all of such holder's obligations under the Participation Agreement, provided, the Debtor or its nominee on or before the Payment Date shall so purchase all of the Notes then outstanding hereunder.

(c) Enforcement of Lease Remedies. The Secured Party shall not foreclose the Lien of this Security Agreement pursuant to any of the remedies contained in Section 5.2 hereof or otherwise divest the Debtor of title to any Item of Equipment solely as a result of an

Event of Default occurring under Section 5.1(b) hereof (at a time when no other Event of Default hereunder unrelated to such Section 5.1(b) default shall have occurred and be continuing) unless the Secured Party has proceeded, or is then currently proceeding, to the extent it is then entitled to do so hereunder and under the Lease and is not then stayed or otherwise prevented from doing so by operation of law, to exercise one (or more, as it shall in its good faith discretion determine) of the comparable remedies referred to in Section 14 of the Lease; provided that in the event the Secured Party shall be so stayed or otherwise prevented from exercising such remedies under the Lease, it shall in any event refrain from so foreclosing or otherwise divesting of title for a period of not less than 90 days;

(d) Shared Rights. The Debtor and the Owner Participant will at all times retain, but not to the exclusion of the Secured Party, the rights (i) to receive from the Lessee all notices, copies of documents and other information which the Lessee is permitted or required to give or furnish to the Debtor and/or the Owner Participant pursuant to the Operative Agreements, (ii) to inspect the Equipment and the books and records of the Lessee to the extent provided in the Operative Agreements, (iii) to provide such insurance as the Lessee will have failed to maintain and to obtain excess insurance for its own account; (iv) to enforce performance of the covenants of the Lessee under the Lease with respect to the maintenance, insurance, possession or use of the Equipment; and (v) to perform for the Lessee pursuant to Section 21.2 of the Lease;

(e) Rent Adjustments; Options. So long as no Event of Default hereunder has occurred and is continuing, the Debtor and the Owner Participant will retain, to the exclusion of the Secured Party, the right to exercise the rights, elections and options of the Debtor to make any decision or determination and to give any notice, consent, waiver or approval with respect to any adjustments of Fixed Rent, Casualty Value, Early Termination Value or Optional Purchase Price as provided in Section 2.5 of the Lease or with respect to any options under Section 18 and 19 of the Lease, and in the event any such Event of Default has occurred and is continuing, such rights, electives and options shall be exercised jointly by the Debtor and the Secured Party;

(f) Amendments, Waivers, etc. So long as no Event of Default hereunder has occurred and is continuing, the Debtor and the Owner Participant will retain, but not to the exclusion of the Secured Party, the right to exercise

the rights, elections and options of the Debtor to make any decision or determination, to consent to any amendment, supplement or modification and, other than as provided in Section 5.3(e), to give any notice, consent, waiver, or approval under the Lease or which any other Operative Agreement confers upon the Debtor or the Owner Participant, and upon the occurrence and continuance of an Event of Default, except as otherwise provided in Section 5.3(e), all such rights may be exercised solely by the Secured Party; provided that prior to effecting any amendment, supplement, modification, waiver or consent under the Lease which decreases the amount of, or postpones the due date of, any payment of Fixed Rent, Casualty Value, Early Termination Value or Optional Termination Value or accelerates the amortization of the Notes or alters any terms or provisions under Sections 18 or 19 of the Lease (an "Adverse Lease Amendment"), the Secured Party will deliver to the Debtor and the Owner Participant a written copy of the Adverse Lease Amendment in the form proposed to be effected, and no such Adverse Lease Amendment will be effected for a 30 day period following such delivery unless the Owner Participant shall have delivered to the Secured Party its written consent thereto; and

(g) Excepted Rights in Collateral. The Debtor and the Owner Participant will retain, to the exclusion of the Secured Party, all rights to Excepted Rights in Collateral, including the right to demand, collect, sue for or otherwise obtain all amounts from the Lessee due the Debtor or the Owner Participant on account of any such Excepted Rights in Collateral, provided that the rights referred to in this paragraph (g) shall not be deemed to include the exercise of any remedies provided for in Section 14 of the Lease other than the right to proceed by appropriate court action or actions, either at law or in equity, to enforce such Excepted Rights in Collateral or to recover damages for the breach thereof.

5.4. Acceleration Clause. In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Notes, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Notes and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes held by such purchaser, including principal and interest thereof, out of the net proceeds of such sale.

5.5. Waiver by Debtor. To the extent permitted by law, the Debtor covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

5.6. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold, shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Debtor, its successors or assigns (subject, however, to the then existing rights, if any, of the Lessee under the Lease).

5.7. Application of Sale Proceeds. The proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper compensation, expenses, liability and advances, including reasonable legal expenses and attorneys' fees, owed to or incurred or made hereunder by, the Secured Party or the holder or holders of the Notes and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment of the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal and interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Notes, then ratably according to the aggregate of such principal and the accrued and unpaid interest with application on each Note to be made, first, to the unpaid interest thereon, and second, to unpaid principal thereof; such application to be made upon presentation of the several Notes, and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

5.8. Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Debtor, the Secured Party and the holder or holders of the Notes shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

5.9. Cumulative Remedies. No delay or omission of the Secured Party or of the holder of any Note to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party, or the holder of any Note of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness Secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party or holder of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

SECTION 6. THE SECURED PARTY.

6.1. Certain Duties and Responsibilities of Secured Party. (a) Except during the continuance of an Event of Default:

(1) the Secured Party undertakes to perform such duties and only such duties as are specifically set forth in this Security Agreement, and no implied covenants or obligations shall be read into this Security Agreement against the Secured Party; and

(2) in the absence of bad faith on its part, the Secured Party may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Secured Party and conforming to the requirements of this Security Agreement or the Lease; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Secured Party, the Secured Party shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Security Agreement.

(b) In case an Event of Default has occurred and is continuing, the Secured Party shall exercise such of the rights and powers vested in it by this Security Agreement for the benefit of the holders of the Notes, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Security Agreement shall be construed to relieve the Secured Party from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(2) the Secured Party shall not be liable for any error of judgment made in good faith by an officer of the Secured Party unless it shall be proved that the Secured Party was negligent in ascertaining the pertinent facts; and

(3) the Secured Party shall not be liable to the holder of any Note with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of two-thirds principal amount of the Notes outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Secured Party, or exercising any

trust or power conferred upon the Secured Party under this Security Agreement.

(d) No provision of this Security Agreement shall require the Secured Party to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(e) Whether or not therein expressly so provided, every provision of this Security Agreement relating to the conduct or affecting the liability of or affording protection to the Secured Party shall be subject to the provisions of this Section.

6.2. Certain Limitations on Secured Party's Rights to Compensation and Indemnification. The Secured Party agrees that it shall have no right against the holder of any Note for the payment of compensation for its services hereunder or any expenses or disbursements incurred in connection with the exercise and performance of its powers and duties hereunder or any indemnification against liability which it may incur in the exercise and performance of such powers and duties but, on the contrary, shall look solely to the Lessee under Section 2.1(ii) of the Lease for such payment and indemnification and that it shall have no lien on nor security interest in the Collateral as security for such compensation, expenses, reasonable counsel fees, if any, disbursements and indemnification except to the extent provided for in Section 5.7(a) hereof.

6.3. Certain Rights of Secured Party. (a) The Secured Party shall not be responsible for any recitals herein or in the Participation Agreement or for insuring the Equipment, or for paying or discharging any tax, assessment, governmental charge or lien affecting the Collateral (other than a lien unrelated to the transactions contemplated by the Operative Agreements arising by, through or under the Secured Party in its individual capacity), or for the recording, filing or refiling of this Security Agreement, or of any amendment or supplement thereto or further mortgage or trust, nor shall the Secured Party be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements contained herein or in the Participation Agreement, and, except in the case of a default in the payment of the principal of, or interest or premium, if any, on any Note or a default of which the Secured Party has actual knowledge. The Secured Party shall promptly notify the Debtor and all holders of the Notes of any default of which the Secured Party has actual knowledge, with a copy of such notice to the Lessee if such default does not arise under the Lease. Upon receipt by the Secured Party of such written notice from a holder of a Note, the Secured Party shall promptly notify the Debtor and all other

holders of the Notes of such notice and the default referred to therein by prepaid registered mail addressed to them at their addresses set forth in the case of the Debtor, in Section 8.10 hereof and in the case of the holders of the Notes, in the Register provided for in Section 8.3 hereof. For all purposes of this Agreement, in the absence of actual knowledge on the part of an officer or employee in its Indenture Trust Division, the Secured Party shall not be deemed to have knowledge of any default hereunder unless notified in writing by the Debtor, the Lessee or any holder of the Notes.

(b) The Secured Party makes no representation or warranty as to the validity, sufficiency or enforceability of this Security Agreement, the Notes, the Participation Agreement or any instrument included in the Collateral, or as to the value, title, condition, fitness for use of, or otherwise with respect to, any Equipment or Item of Equipment or any substitute therefor. The Secured Party shall not be accountable to anyone for the use or application of any of the Notes or the proceeds thereof or for the use or application of any property or the proceeds thereof which shall be released from the lien and security interest hereof in accordance with the provisions of this Security Agreement, except to the extent that such proceeds are in the custody of the Secured Party.

(c) The Secured Party may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(d) Any request, direction or authorization by the Debtor or the Lessee shall be sufficiently evidenced by a request, direction or authorization in writing, delivered to the Secured Party, and signed in the name of the Debtor or the Lessee, as the case may be, by its Chairman of the Board, President, any Vice President, Treasurer or Secretary, and any resolution of the Board of Directors of the Debtor or the Lessee shall be sufficiently evidenced by a copy of such resolution certified by its Secretary or an Assistant Secretary to have been duly adopted and to be in full force and effect on the date of such certification, and delivered to the Secured Party.

(e) Whenever in the administration of the trust herein provided for the Secured Party shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate purporting to be signed by the Chairman of the Board, the President, any Vice President, the Treasurer or the

Secretary of the Debtor or the Lessee, as the case may be, and delivered to the Secured Party, and such certificate shall fully warrant to the Secured Party or any other person for any action taken, suffered or omitted on the faith thereof, but in its discretion the Secured Party may accept, in lieu thereof, other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(f) The Secured Party may consult with counsel, appraisers, engineers, accountants and other skilled persons to be selected by the Secured Party, and the written advice of any thereof shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(g) The Secured Party shall be under no obligation to take any action to protect, preserve or enforce any rights or interests in the Collateral or to take any action towards the execution or enforcement of the trusts hereunder or otherwise hereunder, whether on its own motion or on the request of any other person, which in the opinion of the Secured Party may involve loss, liability or expense, unless the Debtor or one or more holders of the Notes outstanding shall offer and furnish reasonable security or indemnity against loss, liability and expense to the Secured Party.

(h) The Secured Party shall not be liable to the holder of any Note for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Security Agreement.

(i) The Secured Party shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document, unless requested in writing to do so by the holders of not less than a majority in principal amount of the Notes then outstanding.

(j) The Secured Party may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Secured Party shall not be responsible for any action or inaction on the part of any agent or attorney appointed by it with due care.

(k) The provisions of paragraphs (c) to (j) inclusive of this Section 6.3 shall be subject to the provisions of Section 6.1 hereof.

6.4. Showings Deemed Necessary by Secured Party. Notwithstanding anything elsewhere in this Security Agreement contained, the Secured Party shall have the right, but shall not be

required, to demand in respect of withdrawal of any cash, the release of any property, the subjection of any after-acquired property to the lien of this Security Agreement, or any other action whatsoever within the purview hereof, any showings, certificates, opinions, appraisals or other information by the Secured Party deemed necessary or appropriate in addition to the matters by the terms hereof required as a condition precedent to such action.

6.5. Status of Moneys Received. All moneys received by the Secured Party shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys, except to the extent required by law, and may be deposited by the Secured Party under such general conditions as may be prescribed by law in the Secured Party's general banking department, and the Secured Party shall be under no liability for interest on any moneys received by it hereunder. The Secured Party and any affiliated corporation may become the owner of any Note secured hereby and be interested in any financial transaction with the Debtor or the Owner Participant or any affiliated corporation or the Lessee or any affiliated corporation, or the Secured Party may act as depositary or otherwise in respect to other securities of the Debtor or the Owner Participant or any affiliated corporation or the Lessee or any affiliated corporation, all with the same rights which it would have if not the Secured Party. The Secured Party agrees that, whenever it shall be required to disburse moneys to the Debtor or the Owner Participant or any Note Purchaser or any holder of a Note under the provisions hereof, it shall do so by wire transfer of immediately available funds to a designated bank or trust company located in the continental United States whenever such method of payment is provided for in Schedule 1 or Schedule 2 to the Participation Agreement or is requested in writing by the Debtor or the Owner Participant or any Note Purchaser or any holder of a Note.

6.6. Resignation of Secured Party. The Secured Party may resign and be discharged of the trusts hereby created by mailing notice specifying the date when such resignation shall take effect to the Debtor, the Owner Participant and the Lessee at their addresses set forth in Section 8.10 hereof and the holders of the Notes at their addresses set forth in the Register provided for in Section 8.3 hereof. Such resignation shall take effect on the date specified in such notice (being not less than thirty days after the mailing of such notice) unless previously a successor Secured Party shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor; provided, however, no such resignation shall be effective unless and until a successor Secured Party shall have been appointed and accepted such appointment in accordance with the provisions of Sections 6.9 and 6.12 hereof.

6.7. Removal of Secured Party. The Secured Party may be removed and/or a successor Secured party may be appointed at any time by an instrument or concurrent instruments in writing signed and acknowledged by the holders of 66-2/3% in principal amount of the Notes and delivered to the Secured Party, the Debtor and the Owner Participant and, in the case of the appointment of a successor Secured party, to such successor Secured Party.

6.8. Successor Secured Party. The Secured Party is a trust company or banking corporation in good standing and having a capital and surplus aggregating at least \$100,000,000 and each Secured Party appointed in succession of the Secured Party named in this Security Agreement, or its successor in trust, shall be a trust company or banking corporation in good standing and having a capital and surplus aggregating at least \$100,000,000, if there be such a trust company or banking corporation qualified, able and willing to accept the trust upon reasonable or customary terms.

6.9. Appointment of Successor Secured Party. If the Secured Party shall have given notice of resignation to the Debtor pursuant to Section 6.6 hereof, or if notice of removal shall have been given to the Secured Party, the Debtor and the Owner Participant pursuant to Section 6.7 hereof, and such notice does not appoint a successor Secured Party, until a successor Secured Party shall be appointed by the holders of the Notes, a successor Secured Party may be appointed by the Debtor, or, if such successor Secured Party shall not have been so appointed or shall not have accepted such appointment within fifteen calendar days after the giving of such notice of resignation or the giving of any such notice of removal, as the case may be, a successor Secured Party may be appointed by the Debtor, the holder of any outstanding Note or, upon application of the retiring Secured Party, by any court of competent jurisdiction. Any successor Secured party so appointed shall immediately and without further act be superceded by a successor Secured party appointed by the holders of 66-2/3% in principal amount of the Notes.

6.10. Merger or Consolidation of Secured Party. Any company into which the Secured Party, or any successor to it in the trust created by this Security Agreement, may be merged or converted or with which it or any successor to it may be consolidated or any company resulting from any merger or consolidation to which the Secured Party or any successor to it shall be a party (provided such company shall be a corporation organized under the laws of the United States of America or of a state thereof, having a capital and surplus of at least \$100,000,000), shall be the successor to the Secured Party under this Security Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto. The Debtor covenants that in case of any such merger, consolidation or conversion it will cooperate with the Lessee in connection with the Lessee's

obligation pursuant to Section 10.1 of the Lease to cause to be executed, acknowledged, recorded, and/or filed suitable instruments in writing to confirm the estates, rights and interests of such corporation as Secured Party under this Security Agreement.

6.11. Conveyance Upon Request of Successor Secured Party. Should any deed, conveyance or instrument in writing from the Debtor be required by any successor Secured Party for more fully and certainly vesting in and confirming to such new Secured party such estates, rights, powers and duties, then upon request any and all such deeds, conveyances and instruments in writing shall be made, executed, acknowledged and delivered, and Debtor shall cooperate with the Lessee in connection with the Lessee's obligation pursuant to Section 10.1 of the Lease to cause the same to be recorded and/or filed.

6.12. Acceptance of Appointment by Successor Secured Party. Any new Secured Party appointed pursuant to any of the provisions hereof shall execute, acknowledge and deliver to the Debtor an instrument accepting such appointment, and thereupon such new Secured Party, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers and trusts of its predecessor in the rights hereunder with like effect as if originally named as Secured Party herein; but nevertheless, upon the written request of the Debtor or of the successor Secured Party, the Secured Party ceasing to act shall execute and deliver an instrument transferring to such successor Secured Party, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the Secured Party so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such Secured party to the successor Secured Party so appointed in its or his place.

SECTION 7. LIMITATIONS OF LIABILITY.

It is expressly understood and agreed by and between the Debtor, the Owner Participant, the Secured Party and their respective successors and assigns that, except as expressly provided in Section 2.2 hereof, this Security Agreement is executed by Wilmington Trust Company, not in its individual capacity or personally but solely as Owner Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Owner Trustee, that each and all of the representations, undertakings and agreements herein made on the part of the Debtor are each and every one of them made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company or the Owner Participant, or for the purpose or with the intention of binding Wilmington Trust Company in its individual capacity or the Owner Participant, but are made and intended for the purpose of binding only the

Trust Estate as defined in the Trust Agreement, that this Security Agreement is executed and delivered by Wilmington Trust Company solely in the exercise of the powers expressly conferred upon Wilmington Trust Company as Owner Trustee under the Trust Agreement, that actions to be taken by the Debtor pursuant to its obligations hereunder may, in certain instances, be taken by the Debtor only upon specific authority of the Owner Participant, that nothing herein contained shall be construed as creating any liability on Wilmington Trust Company, in its individual capacity or the Owner Participant, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, Wilmington Trust Company or the Owner Participant, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Secured Party and by any person claiming by, through or under the Secured Party, and that so far as Wilmington Trust Company, in its individual capacity or the Owner Participant are concerned, the Secured Party and any person claiming by, through or under the Secured Party shall look solely to the Collateral for the performance of any obligation under any of the instruments referred to herein; provided, however, that except as herein provided, nothing in this Section 7 shall be construed to limit or otherwise modify the rights and remedies of the Secured Party and the holders of the Notes contained in Section 5 hereof, and provided, further, that nothing contained in this Section 7 shall be construed to limit the liability of Wilmington Trust Company in its individual capacity for any breach of any representations or warranties of Wilmington Trust Company in its individual capacity set forth herein or to limit the liability of Wilmington Trust Company for gross negligence or willful misconduct. Any obligation of the Debtor hereunder may be performed by the Owner Participant, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Security Agreement shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Owner Trustee thereunder.

SECTION 8. MISCELLANEOUS.

8.1. Registration and Execution. The Notes shall be registered as to principal and interest and shall be signed on behalf of the Debtor by its President or any Vice President or any other officer of the Debtor who, at the date of the actual execution thereof, shall be a proper officer to execute the same.

8.2. Payment of the Notes. (a) The principal of, and premium, if any, and interest on the Notes shall be payable by wire transfer of immediately available funds, in the case of any original Note Purchaser, as provided in Section 8.10 or as such Note Purchaser shall otherwise designate, and in the case of all

other holders of the Notes, to such bank or trust company in the continental United States for the account of such holder as the holder shall designate to the Debtor from time to time in writing, and if no such designation is in effect, by check, duly mailed, by first class, postage prepaid, or delivered to such holder at its address appearing on the Register as defined in Section 8.3. All payments so made shall be valid and effective to satisfy and discharge the liability upon such Note to the extent of the sums so paid. Each holder (or the person for whom such holder is a nominee) by its acceptance of any Note agrees that, before selling, transferring or otherwise disposing of such Note, it will present such Note to the Debtor for transfer and notation as provided in Sections 8.4 and 8.5.

(b) All amounts constituting payment of the installments of rental under the Lease or Casualty Value or Early Termination Value received by the Secured Party and applied on the Notes pursuant to Section 4 hereof shall be valid and effective to satisfy and discharge the liability upon such Notes to the extent of the amounts so received and applied.

8.3. The Register. The Debtor will keep at its principal office a register for the registration and transfer of Notes (herein called the "Register"). The names and addresses of the holders of the Notes, the transfers of the Notes and the names and addresses of the transferees of all Notes shall be registered in the Register, with copies to be provided by the Debtor to the Secured Party. The Debtor hereby appoints the Secured Party as its agent to hold the Register.

8.4. Transfers and Exchanges of Notes; Lost or Mutilated Notes.

(a) The holder of any Note may transfer such Note only upon the surrender thereof at the principal corporate office of the Debtor. Thereupon, the Debtor shall execute in the name of the transferee a new Note or Notes of the same series in denominations not less than \$250,000 in aggregate principal amount equal to the unpaid principal amount of the Note so surrendered and deliver such new Note or Notes to the Secured Party for delivery to such transferee.

(b) The holder of any Note or Notes may surrender such Note or Notes at the principal office of the Debtor, accompanied by a written request for a new Note or Notes of the same series in the same aggregate principal amount as the then unpaid principal amount of the Note or Notes so surrendered and in denominations of \$250,000 or such amount in excess thereof as may be specified in such request. Thereupon, the Debtor shall execute in the name of such holder a new Note or Notes of the same series in

the denomination or denominations so requested (but not less than \$250,000) and in the aggregate principal amount equal to the aggregate unpaid principal amount of the Note or Notes so surrendered and deliver such new Note or Notes to such holder, and shall advise the Secured Party thereof.

(c) All Notes presented or surrendered for exchange or transfer shall be accompanied (if so required by the Debtor) by a written instrument or instruments of assignment or transfer, in form satisfactory to the Debtor and to the Secured Party, duly executed by the registered holder or by its attorney duly authorized in writing. The Debtor shall not be required to make a transfer or an exchange of any Note for a period of ten days preceding any installment payment date with respect thereto. The Debtor may absolutely rely on any signature purporting to be correct and shall have no duty of inquiry upon any such presentation or surrender of Notes for exchange or transfer.

(d) No notarial act shall be necessary for the transfer or exchange of any Note pursuant to this Section 8.4, and the holder of any Note issued as provided in this Section 8.4 shall be entitled to any and all rights and privileges granted under this Security Agreement to a holder of a Note.

(e) In case any Note shall become mutilated or be destroyed, lost or stolen, the Debtor, upon the written request of the holder thereof, shall execute and deliver a new Note of the same series in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. The applicant for a substituted Note shall furnish to the Debtor and the Secured Party such security or indemnity as may be required by the Debtor or the Secured Party to save it harmless from all risks, and the applicant shall also furnish to the Debtor evidence to its satisfaction of the mutilation, destruction, loss or theft of the applicant's Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Debtor may, instead of issuing a substituted Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note), if the applicant for such payment shall furnish to the Debtor and the Secured Party such security or indemnity as the Debtor or the Secured Party may require to save it harmless, and shall furnish evidence to the satisfaction of the Debtor of the mutilation, destruction, loss or theft of such Note and the ownership thereof. If any

Note Purchaser, or its nominee, is the owner of any such lost, stolen or destroyed Note, then the affidavit of the president, vice president, treasurer or assistant treasurer of such Note Purchaser setting forth the fact of loss, theft or destruction and of its ownership of the Note at the time of such loss, theft or destruction shall be accepted as satisfactory evidence thereof and no indemnity shall be required as a condition to execution and delivery of a new Note other than the written agreement of such Note Purchaser to indemnify the Debtor or the Secured Party for any claims or action against it (and for its attorney's fees) resulting from the issuance of such new Note or the reappearance of the old Note. The Debtor shall advise the Secured Party when any new Note is issued pursuant to this Section 8.4(e) as to the details relating to such issuance.

(f) Any transferee of a Note or any interest thereunder, or purchaser of a participation therein, shall make the same representations to the Lessee, the Owner Participant, the Debtor and the Secured Party regarding the Note or participation as the original Note Purchasers made pursuant to Sections 3.5-B(a) and 3.5-B(b) of the Participation Agreement. The provisions of Section 3.5-B(e) of the Participation Agreement (which are restrictions on the transfer of the Notes) are hereby incorporated herein as though set forth in full and shall be binding upon any such transferee or purchaser.

8.5. The New Notes.

(a) Each new Note (herein, in this Section 8.5, called a "New Note") issued pursuant to Section 8.4(a), (b) or (e) in exchange for or in substitution or in lieu of an outstanding Note (herein, in this Section 8.5, called an "Old Note") shall be of the same series as such Old Note and shall be dated the date of such Old Note. The Secured Party shall mark on each New Note (i) the dates to which principal and interest have been paid on such Old Note, (ii) all payments and prepayments of principal previously made on such Old Note which are allocable to such New Note, and (iii) the amount of each installment payment payable on such New Note. Each installment payment payable on such New Note on any date shall bear the same proportion to the installment payment payable on such Old Note on such date as the original principal amount of such New Note bears to the original aggregate principal amount of such Old Note. Interest shall be deemed to have been paid on such New Note to the date on which interest shall have been paid on such Old Note, and all payments and prepayments of principal marked on such New Note, as provided in clause (ii) above, shall be deemed to have been made thereon.

(b) Upon the issuance of a New Note pursuant to Section 8.4(a), (b) or (e), the Debtor may require the payment of a sum to reimburse it for, or to provide it with funds for, the payment of any tax or other governmental charge or any other charges and expenses connected therewith which are paid or payable by the Debtor.

(c) All New Notes issued pursuant to Section 8.4(a), (b) or (e) in exchange for or in substitution or in lieu of Old Notes shall be valid obligations of the Debtor evidencing the same debt as the Old Notes and shall be entitled to the benefits and security of this Security Agreement to the same extent as the Old Notes.

(d) Upon the issuance of any Note pursuant to this Security Agreement, the Secured Party may submit to the Owner Participant a request that the Owner Participant prepare and deliver to the Secured Party an amortization schedule with respect to such Note setting forth the amount of the installment payments to be made on such Note after the date of issuance thereof and the unpaid principal balance of such Note after each such installment payment. The Secured Party shall deliver, or send by first-class mail, postage prepaid, one copy of the applicable schedule to the holder of such Note at its address set forth in the Register.

8.6. Cancellation of Notes. All Notes surrendered for the purpose of payment, redemption, transfer or exchange shall be delivered to the Debtor for cancellation or, if surrendered to the Debtor, shall be cancelled by it, and no Notes shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Security Agreement.

8.7. Registered Owner. The person in whose name any Note shall be registered shall be deemed and treated as the owner thereof for all purposes of this Security Agreement and neither the Debtor nor the Secured Party shall be affected by any notice to the contrary. Payment of or on account of the principal of, premium, if any, and interest on such Note shall be made only to or upon the order in writing of such registered owner. For the purpose of any request, direction or consent hereunder, the Debtor and the Secured Party may deem and treat the registered owner of any Note as the owner thereof without production of such Note.

8.8. Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

8.9. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision herein contained unenforceable or invalid, provided that nothing contained in this Section 8.9 shall be construed to be in derogation of any rights or immunities of the Debtor in its individual capacity or of the Owner Participant under Section 7 hereof, or to amend or modify any limitations or restrictions of the Secured Party or the holder of any Note or their respective successors or assigns under said Section 7.

8.10. Communications. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally or five business days after being deposited in the United States mail, certified or registered, postage prepaid, addressed as follows:

If to the Debtor: Wilmington Trust Company
 Rodney Square North
 Wilmington, Delaware 19890

 Attention: Corporate Trust
 Administration

(with a copy of such communication
to the Owner Participant)

If to the Owner
Participant: NYNEX Credit Company
 335 Madison Avenue
 20th Floor
 New York, New York 10017
 Attention: Asset Administrator

If to the Secured
Party: Harris Trust and Savings Bank
 111 West Monroe Street
 Chicago, Illinois 60603

 Attention: Indenture Trust
 Division

If to any
holder of Notes: At its address for notices set
 forth in the Register

If to the Lessee: General American Transportation
 Corporation
 120 South Riverside Plaza
 Chicago, Illinois 60606
 Attention: Secretary

or to any such party at such other address as such party may designate by notice duly given in accordance with this Section to the other parties.

8.11. Supplemental Security Agreements; Waivers. (a) Supplemental Security Agreements Without Noteholders' Consent.

The Debtor and the Secured Party from time to time and at any time, subject to the restrictions in this Security Agreement contained, may enter into an agreement or agreements supplemental hereto and which thereafter shall form a part hereof for any one or more of the following purposes:

(i) to add to the covenants and agreements to be observed by, and to surrender any right or power reserved to or conferred upon the Debtor;

(ii) to subject to the security interest of this Security Agreement additional property hereafter acquired by the Debtor and intended to be subjected to the security interest of this Security Agreement, and to correct and amplify the description of any property subject to the security interest of this Security Agreement; or

(iii) to permit the qualification of this Security Agreement under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect, except that nothing herein contained shall permit or authorize the inclusion of the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939 or any corresponding provision in any similar Federal statute hereafter in effect;

and the Debtor covenants to perform all requirements of any such supplemental agreement. No restriction or obligation imposed upon the Debtor may, except as otherwise provided in this Security Agreement, be waived or modified by such supplemental agreements, or otherwise.

(b) Waivers and Consents by Noteholders; Supplemental Security Agreements with Noteholders' Consent. Upon the waiver or consent of the holders of at least 66-2/3% in aggregate principal amount of the Notes exclusive of any Notes held by the Lessee (x) the Debtor may take any action prohibited, or omit the taking of any action required, by any of the provisions of this Security Agreement or any agreement supplemental hereto, (y) the Debtor and the Secured Party may enter into an agreement or agreements supplemental hereto for the purpose of adding, changing or eliminating any provisions of this Security Agreement or of any agreement supplemental hereto or modifying in any manner the rights and obligations of the holders of the Notes and the Debtor

or (z) the Debtor and the Lessee may amend the Lease; provided, that no such waiver or supplemental agreement shall (i) impair or affect the right of any holder to receive payments or prepayments of the principal of and payments of the interest or premium, if any, on its Note, as therein and herein provided, without the consent of such holder, (ii) permit the creation of any lien or security interest with respect to any of the Collateral, without the consent of the holders of all the Notes at the time outstanding, (iii) effect the deprivation of the holder of any Note of the benefit of the security interest of this Security Agreement upon all or any part of the Collateral without the consent of such holder, (iv) reduce the aforesaid percentage of the aggregate principal amount of Notes, the holders of which are required to consent to any such waiver or supplemental agreement pursuant to this Section, without the consent of the holders of all of the Notes at the time outstanding, or (v) modify the rights, duties or immunities of the Secured Party, without the consent of the holders of all of the Notes at the time outstanding.

(c) Notice of Supplemental Security Agreements.

Promptly after the execution by the Debtor and the Secured Party of any supplemental agreement pursuant to the provisions of paragraph (a) or (b) of this Section, the Secured Party shall give written notice, setting forth in general terms the substance of such supplemental agreement, together with a conformed copy thereof, mailed, first-class, postage prepaid, to each holder of the Notes, the Lessee and the Owner Participant. Any failure of the Secured Party to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental agreement.

(d) Opinion of Counsel Conclusive as to Supplemental Security Agreements. The Secured Party is hereby authorized to join with the Debtor in the execution of any such supplemental agreement authorized or permitted by the terms of this Security Agreement and to make the further agreements and stipulations which may be therein contained, and the Secured Party may receive an opinion of counsel as conclusive evidence that any supplemental agreement executed pursuant to the provisions of this Section 8.11 complies with the requirements of this Section 8.11.

(e) Consent of Lessee to Certain Supplemental Security Agreements. So long as no Event of Default under the Lease shall have occurred and be continuing, the Debtor and the Secured Party shall not enter into any such supplemental agreement pursuant to the provisions of paragraph (a) or (b) of this Section 8.11 which would materially and adversely affect any right, privilege or interest of the Lessee under the Lease without the written consent of the Lessee to such supplemental agreement.

8.12. Amendments. Subject to section 8.11, this Security Agreement may, from time to time and at any time, be amended or supplemented by an instrument or instruments in writing executed by the parties hereto.

8.13. Release. The Secured Party shall release this Security Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all indebtedness hereby Secured has been fully paid or discharged.

8.14. Redemption Premium. (a) The "Redemption Premium" to be paid on or prior to June 12, 2008 pursuant to Section 4.1(c) for each series of Notes shall be a premium equal to the amount, if any, by which (i) the present value as of the date of prepayment (discounted at the Equivalent Credit Reference Rate compounded semiannually for the Discount Period) of the amount of interest which would be payable on the principal amount of such prepayment for the Discount Period at the rate per annum payable on such Notes payable semiannually, beginning on the first interest payment date after the date of such payment exceeds (ii) the present value as of the date of prepayment (discounted at the Equivalent Credit Reference Rate compounded semiannually for the Discount Period) of the amount of interest which would be payable on the principal amount of such prepayment for the Discount Period assuming the interest rate on such principal amount was the Equivalent Credit Reference Rate as of the date of prepayment payable semiannually, beginning on the first interest payment date after the date of such payment. No Redemption Premium shall be payable with respect to any prepayments payable after June 12, 2008.

(b) The "Equivalent Credit Reference Rate" applicable to any prepayment shall be the rate per annum which is 50 basis points (0.50% per annum) in excess of the arithmetic average of the two most recent weekly average yields to maturity for actively traded marketable U.S. Treasury fixed interest rate securities with a maturity on or nearest to the Weighted Average Life to Maturity of such series of Notes, as published by the Federal Reserve Board in its Statistical Release H.15 for the two calendar weeks ending on the Saturday next preceding the date of such prepayment or, if such average is not published for such period, of such reasonably comparable index as may be designated by the Note Purchaser for such period.

(c) "Discount Period" shall mean a period equal to the remaining Weighted Average Life to Maturity of the Notes of each series of each series as of the date of prepayment.

(d) The "Weighted Average Life to Maturity" of the Notes of each series means as at the time of the determination thereof the number of years obtained by dividing the then Remaining Dollar-years of such Indebtedness by the then

outstanding principal amount of such Indebtedness. The term "Remaining Dollar-years" of any Indebtedness means the amount obtained by (1) multiplying the amount of each then remaining required repayment or redemption (including the repayment at final maturity), by the number of years (calculated at the nearest one-twelfth) which will elapse between the date of determination of the Weighted Average Life to Maturity to such Indebtedness and the date of that required repayment and (2) totaling all the products obtained in (1).

8.15. Governing Law. This Security Agreement and the Notes shall be construed in accordance with and governed by the laws of the State of New York without regard to principles of conflicts of law; provided, however, that the Debtor and the Secured Party shall be entitled to all the rights conferred by any applicable Federal statute, rule or regulation.

8.16. Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.


8.17. Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Debtor and the Secured Party
have caused this Security Agreement to be executed, as of the day
and year first above written.

WILMINGTON TRUST COMPANY, not in
its individual capacity but
solely as Owner Trustee under
GATC Trust No. 90-2

By 
Its James P. Lawler
Financial Services Officer

HARRIS TRUST AND SAVINGS BANK,
as Security Trustee

By 
Its Vice President

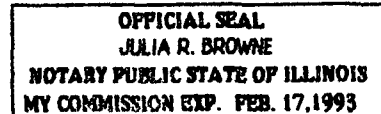
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 13th day of December, 1990, before me personally appeared James P. Lawler, to me personally known, who being by me duly sworn, says that he is a Financial Services Officer of WILMINGTON TRUST COMPANY and that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Julia R. Browne
Notary Public

(SEAL)

My commission expires:



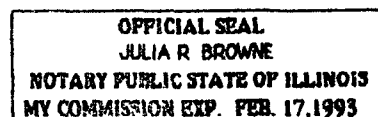
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 13th day of December, 1990, before me personally appeared Richard Mason to me personally known, who being by me duly sworn, says that he is a Vice President of HARRIS TRUST AND SAVINGS BANK and that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Julia R. Browne
Notary Public

(SEAL)

My commission expires:



AMORTIZATION SCHEDULE

(Payments Required Per \$100 Principal Amount
of Series A Secured Notes Issued by Debtor)

<u>Date of Installment</u>	<u>Total Payment</u>	<u>Portion Allocated to Interest</u>	<u>Portion Allocated to Principal</u>	<u>Principal Balance</u>
DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
12/14/1990	0.00000000	0.00000000	0.00000000	100.00000000
6/12/1991	4.90983333	4.90983333	0.00000000	100.00000000
12/12/1991	4.96500000	4.96500000	0.00000000	100.00000000
6/12/1992	8.86632537	4.96500000	3.90132537	96.09867463
12/12/1992	4.77129920	4.77129920	0.00000000	96.09867463
6/12/1993	9.06275710	4.77129920	4.29145791	91.80721673
12/12/1993	4.55822831	4.55822831	0.00000000	91.80721673
6/12/1994	9.27883202	4.55822831	4.72060371	87.08661302
12/12/1994	4.32385034	4.32385034	0.00000000	87.08661302
6/12/1995	9.51651439	4.32385034	5.19266405	81.89394896
12/12/1995	4.06603457	4.06603457	0.00000000	81.89394896
6/12/1996	9.77796504	4.06603457	5.71193047	76.18201849
12/12/1996	3.78243722	3.78243722	0.00000000	76.18201849
6/12/1997	10.06556075	3.78243722	6.28312353	69.89889496
12/12/1997	3.47048013	3.47048013	0.00000000	69.89889496
6/12/1998	10.38191599	3.47048013	6.91143586	62.98745910
12/12/1998	3.12732734	3.12732734	0.00000000	62.98745910
6/12/1999	9.16252913	3.12732734	6.03520178	56.95225732
12/12/1999	2.82767958	2.82767958	0.00000000	56.95225732
6/12/2000	8.29449396	2.82767958	5.46681438	51.48544293
12/12/2000	2.55625224	2.55625224	0.00000000	51.48544293
6/12/2001	8.12654746	2.55625224	5.57029522	45.91514771
12/12/2001	2.27968708	2.27968708	0.00000000	45.91514771
6/12/2002	13.27592344	2.27968708	10.99623636	34.91891135
12/12/2002	1.73372395	1.73372395	0.00000000	34.91891135
6/12/2003	12.64751878	1.73372395	10.91379483	24.00511652
12/12/2003	1.19185404	1.19185404	0.00000000	24.00511652
6/12/2004	12.81243049	1.19185404	11.62057645	12.38454007
12/12/2004	0.61489241	0.61489241	0.00000000	12.38454007
6/12/2005	12.99943248	0.61489241	12.38454007	0.00000000
12/12/2005	0.00000000	0.00000000	0.00000000	0.00000000
6/12/2006	0.00000000	0.00000000	0.00000000	0.00000000
12/12/2006	0.00000000	0.00000000	0.00000000	0.00000000
6/12/2007	0.00000000	0.00000000	0.00000000	0.00000000
12/12/2007	0.00000000	0.00000000	0.00000000	0.00000000
6/12/2008	0.00000000	0.00000000	0.00000000	0.00000000
12/12/2008	0.00000000	0.00000000	0.00000000	0.00000000
6/12/2009	0.00000000	0.00000000	0.00000000	0.00000000
TOTALS	193.44732614	93.44732614	100.00000000	

SCHEDULE 1
(to Security Agreement-Trust Deed)

AMORTIZATION SCHEDULE

(Payments Required Per \$100 Principal Amount
of Series B Secured Notes Issued by Debtor)

<u>Date of Installment</u>	<u>Total Payment</u>	<u>Portion Allocated to Interest</u>	<u>Portion Allocated to Principal</u>	<u>Principal Balance--</u>
DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
12/14/1990	0.00000000	0.00000000	0.00000000	100.00000000
6/12/1991	5.06311111	5.06311111	0.00000000	100.00000000
12/12/1991	5.12000000	5.12000000	0.00000000	100.00000000
6/12/1992	5.12000000	5.12000000	0.00000000	100.00000000
12/12/1992	5.12000000	5.12000000	0.00000000	100.00000000
6/12/1993	5.12000000	5.12000000	0.00000000	100.00000000
12/12/1993	5.12000000	5.12000000	0.00000000	100.00000000
6/12/1994	5.12000000	5.12000000	0.00000000	100.00000000
12/12/1994	5.12000000	5.12000000	0.00000000	100.00000000
6/12/1995	5.12000000	5.12000000	0.00000000	100.00000000
12/12/1995	5.12000000	5.12000000	0.00000000	100.00000000
6/12/1996	5.12000000	5.12000000	0.00000000	100.00000000
12/12/1996	5.12000000	5.12000000	0.00000000	100.00000000
6/12/1997	5.12000000	5.12000000	0.00000000	100.00000000
12/12/1997	5.12000000	5.12000000	0.00000000	100.00000000
6/12/1998	5.12000000	5.12000000	0.00000000	100.00000000
12/12/1998	5.12000000	5.12000000	0.00000000	100.00000000
6/12/1999	5.12000000	5.12000000	0.00000000	100.00000000
12/12/1999	5.12000000	5.12000000	0.00000000	100.00000000
6/12/2000	5.12000000	5.12000000	0.00000000	100.00000000
12/12/2000	5.12000000	5.12000000	0.00000000	100.00000000
6/12/2001	5.12000000	5.12000000	0.00000000	100.00000000
12/12/2001	5.12000000	5.12000000	0.00000000	100.00000000
6/12/2002	5.12000000	5.12000000	0.00000000	100.00000000
12/12/2002	5.12000000	5.12000000	0.00000000	100.00000000
6/12/2003	5.12000000	5.12000000	0.00000000	100.00000000
12/12/2003	5.12000000	5.12000000	0.00000000	100.00000000
6/12/2004	5.12000000	5.12000000	0.00000000	100.00000000
12/12/2004	5.12000000	5.12000000	0.00000000	100.00000000
6/12/2005	5.12000000	5.12000000	0.00000000	100.00000000
12/12/2005	5.12000000	5.12000000	0.00000000	100.00000000
6/12/2006	40.71747084	5.12000000	35.59747084	64.40252916
12/12/2006	3.29740949	3.29740949	0.00000000	64.40252916
6/12/2007	22.65570510	3.29740949	19.35829561	45.04423355
12/12/2007	2.30626476	2.30626476	0.00000000	45.04423355
6/12/2008	23.70227570	2.30626476	21.39601094	23.64822261
12/12/2008	1.21078900	1.21078900	0.00000000	23.64822261
6/12/2009	24.85901161	1.21078900	23.64822261	0.00000000
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TOTALS	272.29203761	172.29203761	100.00000000	

GENERAL AMERICAN TRANSPORTATION CORPORATION
1990 LEASE FINANCING
EQUIPMENT LIST -- CAR NUMBERS
NYNEX

BASIC GROUP	DOT CLASS	DESCRIPTION	QTY	CAR INITIALS	CAR NUMBERS

1989 ACQUISITIONS					
A	L/O (1)	4900 CFC COVERED HOPPER--AIRSLIDE	110	GACX ATW SOO	56670 56685, 56689-56713 56618-56666 109825-109844
A1	L/O (1)	5125 CFC COVERED HOPPER--POWER FLO	9	GACX	10030, 10074-10075, 10078-10083
B	L/O (1)	5850/5851 CFC COVERED HOPPER--PLASTIC PELLETS	283	GACX	73286-73288, 73398-73418, 73452, 73454, 73456, 73468, 73471-73488, 73496-73615, 73617, 73621-73625, 73627-73628, 73630-73631, 73633-73634, 73636, 73638-73641, 73643, 73645-73647, 73650-73651, 73653, 73655-73656, 73659, 73714, 73721-73728, 73730-73732, 73735, 73739-73740, 73743, 73746-73793, 74005-74030
C	L/O (1)	5800 CFC COVERED HOPPER--CARBON BLACK	82	GACX	60151-60232
D	L/O (1)	2900 CFC COVERED HOPPER	23	GACX	29000-29022
E	111A100-W-1	14-29,000 GAL. TANK CAR	168	GATX	29651-29714, 29765-29804, 65355-65372, 65374-65419
F	111A100-W-1	13,000 GAL. TANK CAR--CLAY SLURRY	112	GATX	65255-65294, 65295-65325, 65330-65354, 65457-65472
G	111A100-W-1	20,000 GAL. EC/I TANK CAR	52	GATX	34441-34445, 36541-36572, 37002, 37048-37061
H	111A100-W-1	23,000 GAL. EC/I TANK CAR	200	GATX	3741-3853, 3893-3900, 3901, 19651-19675, 35561-35610, 56701-56703
I	111A100-W-1	26,000 IC TANK CAR--LUBE OIL	71	GATX	53929-53949, 53953, 53955, 53960, 53962-53982, 53984-53992, 53994-54002, 54004-54011
J	111A100-W-1	29,000 GAL. TANK CAR--ALCOHOL	52	GATX	29715-29764, 50615-50616
K	111A100-W-3	17,000 EC/I TANK CAR--CORN SYRUP	112	GATX	4056, 4059, 4073, 4087, 4090, 4097-4098, 4102, 4106-4107, 4114, 4128-4129, 4131, 4133, 4135, 4138, 4140 4144, 4146-4154, 4156, 4159-4161, 4163-4167, 4170, 4172-4173, 4175-4176, 4178-4181, 4186, 4189, 4191, 4193, 4195, 4197-4200, 4202-4203, 4206, 4208, 4210-4211, 4217-4218, 4220-4221, 4223, 4225-4230, 4232, 4235-4270
L	111A100-W-1	MISCELLANEOUS TANK CAR	27	GATX	17951-17954, 18639-18650 22961-22964, 22966, 22968-22970, 22972, 22974-22975

1301					
=====					

(1) AAR Mechanical Designation for Classification
of Covered Hopper Cars.

Schedule 2
(to Security Agreement-Trust Deed)

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely
as Owner Trustee under GATC Trust No. 90-2

(1) NON-RECOURSE SECURED NOTE, Series (1)
Due (1)

No. R-

December __, 1990

\$

FOR VALUE RECEIVED, the undersigned, WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity but solely as Owner Trustee (the "Debtor") under that certain Trust Agreement dated as of December 14, 1990 (the "Trust Agreement") between it and NYNEX CREDIT COMPANY (the "Owner Participant"), sometimes identified as GATC Trust No. 90-2, promises to pay to

or registered assigns,
the principal sum of

DOLLARS (\$)

together with interest from the date hereof until maturity at the rate of (1) per annum (computed on the basis of a 360-day year of twelve consecutive 30-day months) on the unpaid principal hereof, in installments as follows:

(i) One (1) installment of all accrued and unpaid interest only payable on June __, 1991; followed by

(ii) [Twenty-seven (27)] [Thirty-Five (35)] installments in the respective amounts set forth in the amortization schedule attached hereto, payable on December __, 1991 and on each June __ and December __ thereafter to and including December __, [2004] [2008]; followed by

(iii) A final installment on June __, [2005] [2009] in the amount equal to the entire principal and interest remaining unpaid hereunder as of said date;

-
- (1) The Notes will be issued as 9.93% Secured Notes, Series A due June 12, 2005 and 10.24% Secured Notes, Series B due June 12, 2009.

and to pay interest on overdue principal and (to the extent legally enforceable) on overdue interest at the rate of [11.93%] [12.24%] per annum after maturity, whether by acceleration or otherwise, until paid. Both the principal hereof and interest hereon are payable to the registered holder hereof in such coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts.

This Note is one of the (1) Non-Recourse Secured Notes, Series (1) and (1) Secured Notes, Series (1), of the Debtor (the "Notes") which are issued under and pursuant to the Participation Agreement dated as of December 14, 1990 among the Debtor, the Owner Participant, General American Transportation Corporation (the "Lessee"), Harris Trust and Savings Bank, as security trustee (the "Secured Party") and the institutional investors named in Schedule 2 thereto, as note purchasers, and which are also issued under and equally and ratably secured by that certain Security Agreement-Trust Deed dated as of December 14, 1990 (the "Security Agreement") from the Debtor to the Secured Party. Reference is made to the Security Agreement and all supplements and amendments thereto executed pursuant to the Security Agreement for a description of the collateral, the nature and extent of the security and rights of the Secured Party, the holder or holders of the Notes and of the Debtor in respect thereof. The aggregate principal amount of all Notes to be issued under the Participation Agreement and the Security Agreement shall not exceed \$51,092,228.83.

Certain prepayments are required to be made on this Note and any other Notes outstanding under the Security Agreement. The Debtor agrees to make the required prepayments on the Notes in accordance with the provisions of the Security Agreement. Neither any prepayment of any Notes nor any purchase by the Debtor or the Owner Participant of any Notes may be made except to the extent and in the manner expressly permitted by the Security Agreement.

The terms and provisions of the Security Agreement and the rights and obligations of the Secured Party and the rights of the holders of the Notes may be changed and modified to the extent permitted by and as provided in the Security Agreement.

This Note is a registered Note and is transferable only by surrender thereof at the principal office of the Debtor, duly endorsed or accompanied by a written instrument of transfer, duly executed by the registered holder of this Note or his attorney duly authorized in writing.

-
- (1) The Notes will be issued as 9.93% Secured Notes, Series A due June 12, 2005 and 10.24% Secured Notes, Series B due June 12, 2009.

This Note and the Security Agreement are governed by and construed in accordance with the laws of the State of New York.

It is expressly understood and agreed by and between the Debtor, the Owner Participant and the holder of this Note and their respective successors and assigns that this Note is executed by Wilmington Trust Company, not in its individual capacity or personally but solely as Owner Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Owner Trustee, that each and all of the representations, undertakings and agreements herein made on the part of the Debtor are each and every one of them made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company or the Owner Participant, or for the purpose or with the intention of binding Wilmington Trust Company or in its individual capacity the Owner Participant, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement, that this Note is executed and delivered by Wilmington Trust Company solely in the exercise of the powers expressly conferred upon Wilmington Trust Company as Owner Trustee under the Trust Agreement, that nothing herein contained shall be construed as creating any liability on Wilmington Trust Company, in its individual capacity or the Owner Participant, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, Wilmington Trust Company or the Owner Participant, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the holder of this Note and by each and every person now or hereafter claiming by, through or under the holder of this Note, and that so far as Wilmington Trust Company, in its individual capacity or the Owner Participant, are concerned, the holder of this Note and any person claiming by, through or under the holder of this Note shall look solely to the Collateral as defined in the Security Agreement for the performance of any obligation under this Note, provided, however, that except as herein provided, nothing in this paragraph shall be construed to limit or otherwise modify the rights and remedies of the holder of this Note contained in Section 5 of the Security Agreement, and, provided, further, that nothing contained in this paragraph shall be construed to limit the liability of the Debtor in its individual capacity for any breach of any representations or warranties of the Debtor in its individual capacity set forth in the Participation Agreement or the Security Agreement or to limit the liability of the Debtor for gross negligence or willful misconduct. Any obligation of the Debtor hereunder may be performed by the Owner Participant, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Note shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Debtor as Owner Trustee thereunder.

IN WITNESS WHEREOF, the Debtor has caused this Note to be duly executed.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Owner Trustee under GATC Trust No. 90-2

By _____
Its

NOTICE

THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE. THE NOTE MAY NOT BE OFFERED OR SOLD UNLESS IT IS REGISTERED UNDER THE APPLICABLE SECURITIES LAWS OR UNLESS AN EXCEPTION FROM SUCH REGISTRATION IS AVAILABLE.